

**Acceptance of Purchase Order/Terms and Conditions/Special Instructions**

Seller's acknowledgment, acceptance of payment, or commencement of performance, shall constitute Seller's unqualified acceptance of this Contract.

Unless expressly accepted in writing by Aerofab, additional or differing terms or conditions proposed by Seller or included in Seller's acknowledgment are objected to by Aerofab and have no effect.

**Inspection, Acceptance, Rejection**

Buyer may inspect the goods during any stage of their manufacture, construction, preparation, delivery or completion. Buyer shall have the right to enter onto Seller's premises at reasonable times to verify that the materials covered by this order conform to all specified requirements and Seller agrees to provide any and all supporting documentation required by Buyer or Buyer's customers in the course of such investigation. At Buyer's request, Seller shall submit production and quality test reports and related data. Notwithstanding payment or prior inspection, if any of the goods and/or services are found to be defective in material or workmanship or otherwise not in conformity with the requirements of this Agreement, in addition to any other remedies that it may have, Buyer may correct or have corrected the non-conformity at Seller's expense or reject and return the goods and discontinue the services at Seller's expense, at Buyer's sole discretion. Goods rejected promptly shall be removed by the Seller at its expense and at its risk. Final acceptance shall not be conclusive with respect to latent defects or misrepresentations. Nothing in this Agreement shall relieve Seller from the obligation of testing, inspection and quality control. Goods may be rejected for defects or defaults revealed by inspection, analysis or subsequent manufacturing operations even though such items previously may have been accepted, at Buyer's sole discretion.

A Proper Certificate or Certification (CoC) is required for each part number and must be included with shipping documentation paperwork.

Buyer to verify Purchase Order quantity to Buyer furnished material quantities upon receipt of the order. Notify Aerofab Buyer immediately of any discrepancies.

Supplier must be Nadcap certified. Aerofab reserves the right to validate Nadcap accreditations. Drawings and/or other documents provided with Purchase Order are for reference purposes.

**Alodine 600 and Deoxidizer Solution Testing- Special Instructions**

The following information must be included on the Certificate or Certification (CoC):

1. "No ozone depleting substances were used in the processing of these parts"
2. Parts that are heat treated shall have temperature, soak time, and Rockwell reading record.

**Heat Treat -Special Instructions**

1. Parts must have straighten and check operations performed prior to final age. Flatness is to be + or - .030 unless otherwise specified.
2. Straighten and check must be certified by Vendor prior to shipment for continued processing.
3. A Certificate of Certification (CoC) shall certify these steps were accomplished.
4. Any questions regarding the required heat treating process, please contact Aerofab Production Manager at (814) 498-6015, prior to beginning work.

**Anodization for E2D Aircraft Parts-Special Instructions**

1. All parts that are anodized per MIL-A-8645 shall be sealed in 5% Sodium Dichromate solution unless an alternate seal solution is approved.
2. Certificate or Certification (CoC) must include Sealing method used or other notation.
3. Do not remove masking already on the parts unless instructed to remove the masking after processing.

**Export and Import Compliance**

Performance of this order may involve the use of or access to articles, Technical Data or Software that is Subject to export controls under USC 2751-2799 (Arms Export Control Act) and CFR 120-130 ITAR. Supplier agrees to comply with any and all applicable US Export laws and regulations and any license(s) issued thereunder. Supplier shall comply with all US Customs laws and regulations (e.g. 19 CFR) and all other applicable USG regulations pertaining to importations of Products and materials into the US for domestic orders.

**Raw Material/Special Process Requirements**

1. The material must be manufactured per standards listed and to the latest revisions.
2. All material must meet any other contractual requirements as stated in the Purchase Order, and any applicable DFARs
3. Raw Material Certifications of Conformance and Mill Test are required and must accompany the shipment. Certification shall include material specification, dimension/ description, type and condition. Certification shall also include any secondary independent test laboratory certification(s). Any additional process that was performed after original mill certification for procured material shall include physical properties, chemical analysis and lot number(s).
4. The unit price must include packaging and shipping cost.
5. Aluminum sheets must be protected by PVC coating on both sides.
6. Unauthorized Material Substitution are not permitted without Buyer written permission

*From BDS Terms and Conditions Clause Number: H900*

**MATERIAL SUBSTITUTION PROHIBITION****A. Unauthorized Material Substitution (General)**

Unauthorized material substitutions are not permitted on Buyer's Goods. Unauthorized material substitution includes any deviation from the engineering definition of a raw material. Engineering definition includes Buyer design drawing and applicable specifications, product specification, form, size, shape, chemistry, melt method, origin, temper/condition, product testing or surface finish.

Alternate materials specified in the engineering definition (and often described as approved material substitutions therein) do not constitute unauthorized material substitution. Terms and definitions for metallic materials and processing used herein are clarified in ARP1917.

Contact Buyer's Authorized Procurement Representative for details regarding deviations to authorized materials. Seller agrees and understands that such deviations only apply to this purchase contract, and only as indicated in the Buyer's authorized document.

**B. Metallic Materials (Specific)**

Temper or Condition Conversion - Unless specifically authorized by the engineering definition, conversion of a raw material (i.e. heat treat to change the temper or condition of the material) constitutes material substitution of the condition provided by the manufacturer.

Metallic Raw Materials – Buyer’s engineering drawings may refer to obsolete or superseded specifications covering several forms, thicknesses, widths, etc. of the alloy or alloys. The required characteristics of these materials are defined not only by the objective test standards of the specification, but by the processes/methods by which this final form is achieved. These requirements are often captured in the definitions of the required material forms, and may not be explicitly called out in the detailed requirements. The raw material certification results from both the process used to make it and the tests to verify basic properties.

Seller shall ensure that metallic materials covered by current or obsolete/superseded specifications are produced using the standard industry practices designed strictly for the production of stock to the specified thickness, diameter, width or cross sectional area, achieved by thermo-mechanical processing or casting process. Chemical, electrochemical and mechanical methods used for the removal of surface scale or contamination, or the production of the required surface finish, in accordance with the material specification are acceptable. Raw material must not be re-certified with respect to thickness, diameter, width or cross sectional area or product form. Machining or cutting of thicker product or other product forms shall not be supplied in lieu of specified product unless specifically authorized by Buyer. Raw material certifications for material or parts shall reflect the form and size of the raw material as originally manufactured by the raw material producer.

**C. Specification Supersession:**

For government specifications and standards canceled after June 1994, Seller and subcontractors at all tiers shall use the last active revision of the canceled specification and standard until an acceptable replacement is included in the requirements of this Contract. Contact the Buyer’s Authorized Procurement Representative in the event of any inconsistency in applicable specification or standard.

D. Reports (Full Pedigree from melt to final product) - Raw material certifications shall show clear traceability to the manufacturer(s) of the raw material including ingot source, all thermo-mechanical processing (i.e. forging, rolling, drawing, etc), heat treatment, chemical processing and inspections as required by applicable raw material specification requirements.

E. Chain of Custody (Disguising intermediate ownership) – Suppliers shall not disguise the pedigree of material or chain of ownership by removal of a previous supplier’s name, nomenclature or identification.

F. Source of Additional Information - Addition information and guidance may be found through Buyer’s Supplier Portal or Buyer’s Authorized Procurement Representative.

G. The substance of this Article shall be flowed in all subcontracts at every tier.

**Non-Conforming Products**

Seller shall notify the Aerofab's buyer in writing immediately after discovery of any non-conformance or non-compliance that may exist in delivered product. The notification shall include a description of the nonconformance or noncompliance, potential risk or product impact, Aerofab Purchase Order number, part number, lot number, affected serial numbers, and quantity of nonconforming or noncompliant parts. Buyer reserves the right to visit the supplier’s facilities to determine purchase order compliance.

Buyer reserves the right to reject non-conforming products. Seller is not authorized to rework material unless the rework is performed in accordance with Aerofab's approved rework procedure. Approval is dependent on evidence of a previously validated rework process or will require a new process validation. Reworked material shall be restored to design conformance. Each shipment shall include records of reworked material contained within the shipment.

### **Changes**

Suppliers must notify Buyer of any changes in product or process and change of manufacturing facility location.

### **Assignment**

Supplier shall not assign or transfer, in whole or in part, this Order or any of this Order or any rights, payments, claims, or interest under this Order without Buyer's prior written authorization of the Buyer.

### **Quality Record Retention**

All Quality records shall be retained for a period of not less than seven (7) years from completion of purchase order.

**Release of Entry**-Supplier shall grant Aerofab, Aerofab's customers/government representatives and regulatory authorities, right of access to all applicable records and areas of all facilities, at any level of the supply chain, involved with the products and/or services delivered under this purchase order.

### **Counterfeit Prevention**

Supplier shall have a counterfeit parts detection process to ensure it does not receive counterfeit parts into inventory, use them in manufacturing, or inadvertently sell them to other parties. The process shall meet the intent of SAE standard AS5553, Counterfeit Electronic Parts, Avoidance, Detection, Mitigation, and Disposition for electrical, electronic, electro-mechanical and electro-optical (EEE) parts, and/ or SAE Standard AS6174, Counterfeit Materiel: Assuring Acquisition of Authentic and Conforming Materiel for materiel parts, assemblies or other procured items not covered by AS5553.

All EEE component parts delivered and/or used in the manufacture of deliverable products shall be from the Original Component Manufacturer (OCM), Original Equipment Manufacturer (OEM) or franchised distributors or authorized Aftermarket Manufacturer (AM).

All non-electrical standard parts, like fasteners, nuts, washers, springs, o-rings, inserts, and pins, must have a certification from the OCM, OEM or authorized AM or authorized distributor.

In the event a part is not directly available from the OCM, OEM, AM or franchised distributors (electronics) or authorized distributor (non-electronics), purchase from independent distributors may be made but the evidence of supply chain traceability (chain of custody) back to the OCM, OEM, AM shall be provided. The certificate shall include as a minimum: manufacturer name and address, manufacturer and/or Buyer's part number and dash number, batch identification for the item(s) such as date codes, lot codes, heat lot, serializations, or other identifications, Signature or stamp with title of seller's authorized personnel signing the certificate. Parts shall not be used or reclaimed and misrepresented as new.

If suspect of counterfeit or fraudulent/counterfeit parts are furnished under this order, such items shall be impounded. The seller shall promptly replace such items with items acceptable to Aerofab. Seller shall be liable for all cost relating to impoundment, removal and replacement of the parts. Aerofab may turn such items over to the authority having jurisdiction and reserves the right to withhold payment for the items pending the results of the investigation.

From BDS Terms and Conditions Clause Number: H900

A. Seller shall not furnish to Buyer any Goods under this Contract that are “Counterfeit Goods,” defined as Goods or separately-identifiable items or components of Goods that: (i) are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, “OEM”) item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new; or (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes.

B. Seller shall implement an appropriate strategy to ensure that Goods furnished to Buyer under this Contract are not Counterfeit Goods. Seller’s strategy shall include, but is not limited to, the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items, and, when items are to be procured from non-authorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following: (i) the OEM’s original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item’s authenticity.

C. Counterfeit Goods delivered or furnished to Buyer under this Contract are deemed nonconforming. If Seller becomes aware or suspects that it has furnished Counterfeit Goods to Buyer under this Contract, Seller promptly shall notify Buyer and replace, at Seller’s expense, such Counterfeit Goods with OEM or Buyer-approved Goods that conform to the requirements of this Contract. Seller shall be liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic Goods after Counterfeit Goods have been replaced. The remedies contained in this article are in addition to any remedies Buyer may have at law, equity, or under other provisions of this Contract.

D. Seller bears responsibility for procuring authentic Goods or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this article.

### **Disputes**

All disputes shall be settle in accordance with the provisions of the Terms and Conditions .In no event shall Buyer be liable to Seller for anticipated profits or for incidental, special or consequential damages. Buyer’s liability for a claim of any kind or for any loss or damage arising out of or in connection with or resulting from this Purchase Order, or from any performance or breach, shall in no case exceed the price allocable to the goods or services or unit which directly gives rise to the claim.

**F-35 Flow Down Requirements: AS Applicable****ENGINEERING MATERIALS & APPROVED PRODUCTS**

LMA-D0006 defines the use and contents of the LM Aero Engineering Materials and Approved Products (EMAP) database.

The qualified materials and/or products (including any associated requirements) that are listed in the EMAP database (reference Section 3) shall be used / controlled as specified, including all Additional and Internal Requirements Notes. The Supplier shall check the use of all Raw Materials in EMAP for applicability and sources. This includes Industry Material (e.g. AMS Fuel Tank Coatings).

The EMAP database contains Engineering-controlled raw materials required for LM Aero/Northrop Grumman F-35 products. It is a portion of the Design Support Database (DSD) Materials database and contains productive and nonproductive sections.

The external LM Aero EMAP internet site as follows:

- Manufacturers: <https://elli.lmtas.com/eps/manufacturer/aspfiles/dsdsehome.asp>
- Subcontractors: <https://elli.lmtas.com/eps/subcontractor/aspfiles/dsdsehome.asp>
- Distributors: <https://elli.lmtas.com/eps/distributor/aspfiles/dsdsehome.asp>

Information on this web site is the most current LM Aero Engineering requirement for raw material references on drawings and in process specifications. Northrop Grumman suppliers shall use only the information in this database for the procurement and receipt of raw materials used in the production of Northrop Grumman-designed parts.

**FOREIGN OBJECT DEBRIS/ DAMAGE/ DETECTION (FOD)**

The supplier shall develop, implement and maintain a Foreign Object Debris/ Damage process that meets the requirements of NAS 412, Foreign Object Damage/ Foreign Object Debris (FOD Prevention). The FOD prevention program shall include the review of design and manufacturing processes to identify and eliminate foreign object entrapment areas and paths through which foreign objects can migrate. Supplier shall ensure work is accomplished in a manner preventing foreign objects or material in deliverable items. Supplier shall maintain work areas and control tools, parts and materials in a manner sufficient to preclude the risk of FOD incidents. Supplier shall document and investigate each FOD incident and ensure elimination of the root cause of each such incident.

NGAS shall have the right to perform inspections, verification and FOD Prevention Program audits at Supplier's facility to ensure program documentation and effectiveness. Supplier shall identify a FOD control person responsible for implementing FOD prevention, awareness and training.

Supplier's FOD prevention program shall include Supplier's periodic self assessment of its internal FOD prevention practices, including suppliers FOD Prevention Program at every tier, to measure effectiveness of program compliance to requirements.

Supplier's FOD prevention program shall provide annual FOD training to Supplier's employees.

At NGAS' request, Supplier shall provide records of such self assessment and training to Buyer, upon request at no cost.

Supplier's FOD prevention program shall, at a minimum, contain the following elements:

- Design & Manufacturing Process Review
- Performance Measurement
- Training
- Material Handling and Parts Protection
- Housekeeping,
- Tool Accountability
- Hardware Accountability
- Lost Items
- Physical Entry Control into FOD Critical Areas, and
- FOD Focal Point(s)

Prior to closing inaccessible or obscured areas and compartments during assembly, Supplier shall inspect for foreign objects/materials. Supplier shall ensure that tooling, jigs, fixtures, and test or handling equipment are maintained in a state of cleanliness and repair sufficient to prevent FOD. By delivering items to NGAS, Supplier shall be deemed to have certified to NGAS that such items are free from any foreign materials that could result in FOD.

#### **GIDEP Alerts**

The supplier must be a member of GIDEP, if eligible, and take appropriate corrective and preventive actions on all suspect or defective material or suspect counterfeit or counterfeit parts reported by GIDEP alerts. Access to GIDEPs can be viewed at [www.gidep.org/gidep.htm](http://www.gidep.org/gidep.htm).

The supplier must ensure that all occurrences where it has:

- 1) Acquired suspect or defective material or suspect counterfeit or counterfeit parts are reported to GIDEP.
- 2) Provided suspect or defective material or suspect counterfeit or counterfeit parts are immediately reported to the buyer.

Note: The supplier must respond to any suspect or defective material or suspect counterfeit or counterfeit part inquiries made by the buyer regarding the authenticity of products provided by the supplier.

#### **Supplier Sub-tier Control**

Supplier is responsible for ensuring the following:

- All items procured from its subcontractors conform to all requirements of the Northrop Grumman Aerospace Systems purchase order
- All applicable provisions of this document are flowed to its subcontractors including copies of the latest revision process specifications
- Specifying on their purchase order for special processes "Northrop Grumman Aerospace Systems" as your customer and process specification revision.

Sub-tier supplier quality systems shall be compliant to either ISO9001:2008, AS9100, AS9120 or AS9003. Special Process and service suppliers must be compliant with the applicable quality system specified in Table 1. FAA Repair Stations must be FAA certified.

NOTE: Sub-tier QMS 3rd party certification is not mandatory unless explicitly stated on the purchase order/ SOW.

All sub-tier suppliers are also required to utilize AS9102 for their first article inspection when paragraph 3.4 of Table 2 is invoked for the SQAR Commodity code.

If it is necessary to utilize a sub-tier who does not have a compliant Quality Management system listed above, then the supplier shall incorporate the following sub-tier control management methods into their quality management system:

- 1) Supplier shall provide all raw material to sub-tier.
- 2) Supplier shall perform tool prove inspection, first article inspection and 100% inspection (receiving or source) of sub-tier's hardware.
- 3) Supplier shall be responsible for the special processing of the sub-tier's hardware.
- 4) Supplier shall not allow their sub-tier to off-load to another sub-tier without their documented approval.